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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 06/22/07

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(1) Iraq extension unaccounted for

ASAHI (Page 4) (Full)  
June 21, 2007

A bill revising the Iraq Reconstruction Assistance Special Measures  
Law to extend the activities of the Self-Defense Forces in Iraq for  
two years cleared the Diet yesterday. The ruling coalition of the  
Liberal Democratic Party and New Komeito has been steering the Diet  
in an overbearing manner. And now, they chose again to bulldoze  
their way through. In Diet deliberations, the government did not  
even account for why the SDF has to stay on in Iraq now. Britain and

other members of the US-led multinational forces in Iraq are now about to retouch their Iraq policy. Yet, the SDF's Iraq mission will continue while the local situation is growing even more dangerous.

"What's important now is that the international community will do its utmost to help with Iraqi reconstruction."

So saying, Prime Minister Abe again stressed the significance of assisting Iraq with its reconstruction when he met reporters at his office yesterday evening.

However, Abe weighed his "promise" to the United States, Japan's ally. On June 19, the LDP-led coalition steamrollered the bill in a meeting of the House of Councillors Foreign Affairs and Defense Committee. "It's a big step forward for what I've promised," Abe said later in the day.

Abe, since coming into office, has reiterated "cooperation with the United States as an irreplaceable ally" about Japan's Iraq aid. The government had initially considered extending the SDF's Iraq mission for one year. Eventually, however, the government decided to extend it for two years. This was in line with US President Bush's decision in January this year to send about 21,000 more troops to Iraq.

Meanwhile, the government's public accountability through Diet deliberations was insufficient. "Is it all right to leave Iraq as is?" This remark came yesterday from Abe over the significance of the Air Self-Defense Force's airlift activities in Iraq. However, the question is how much the ASDF's activities will help with Iraq's reconstruction. The bill was discussed for a total of 31 and a half hours, broken down into 16 and a half hours in the House of Representatives and 15 hours in the House of Councillors. The law

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came into effect in 2003, and the Diet spent a total of about 73 hours to deliberate on it before its passage. Ironically, what became clear in Diet deliberations was the risk of ASDF activities in Iraq.

On May 14, Defense Minister Kyuma stated before a special committee of the House of Representatives: "In point of fact, it's considerably dangerous for the ASDF to work in Iraq. The ASDF is having a hard time of it while studying how to work it out there."

According to an ASDF source, there is an increase in the number of cases where the ASDF's C-130 transport planes, which are tasked with airlift services, suspend their flights. The C-130's alarm system, which is activated when targeted for a missile attack or in other eventualities, was rarely activated in the past. These days, however, it reacts frequently. Each of the ASDF's C-130 transports for the Iraq mission has a watchout window on the upper part of its body. The source says an ASDF member sits near that window to look around through the window. A number of US military helicopters were shot down near Baghdad Airport in particular. As is evident from this fact, the security situation in Iraq has gone from bad to worse.

The government has been only underscoring safety. Dissatisfied with such a posture, one ASDF echelon officer made a direct appeal to Kyuma, saying: "Their mission is becoming even more dangerous from day to day. I wish to ask for a little more consideration for the feelings of those ASDF members working there in Iraq." Kyuma's reply before the special committee was in response to such a voice from within the ASDF.

Moreover, there is another fact that is evident from the Defense Ministry's disclosed information. Actually, the ASDF's activities in Iraq are intended for the US-led multinational forces rather than humanitarian and reconstruction assistance. The C-130s made a total of 150 flights from July last year through the end of March this year, including 125 flights for the multinational forces. In the breakdown of their payloads, 46.5 tons or 95% --were for the multinational forces.

(2) Interim settlement of account on Abe administration - part 6:  
Moving services from government to the private sector; Enthusiasm

for reform lost steam; Market testing not picking up steam

TOKYO SHIMBUN (Page 2) (Slightly abridged)  
June 20, 2007

On January 25, the day before Prime Minister Abe delivered his first policy speech, the Kochi Labor Department and the Nagasaki Labor Department closed applications for public bidding for market testing to transfer a job-offer boosting project from their public employment service agencies to private companies. Neither department received any tenders.

Three other labor departments, including one in Hokkaido, closed public bidding for similar projects. The Hokkaido office only received tenders that exceeded the estimated price. Both the Kochi and Nagasaki offices once again held public bidding, but received no tenders. As a result, the state is undertaking the projects there as before.

Market testing is a system aimed at lowering costs of government services and improving the quality of services through public

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bidding joined by the private sector and government. The idea was formulated by the Koizumi administration, which advocated the policy of transferring services from the government to the private sector. It was then incorporated in the Administrative Reform Law and has is now underway under the Abe administration.

The Administrative Committee, a vehicle to promote market testing, recently carried out a five-grade appraisal of track records of market testing by various government agencies. The survey found a shocking result with two ministries rated C, the middle grade, five rated at D, a slightly low grade, and another five rated E, meaning no track records achieved.

This appraisal highlighted the negative stance of various government agencies. There is an atmosphere among government agencies of openly questioning the Koizumi administration's policy of shifting services from the government to the private sector. One official in charge of market testing at a certain ministry said: "Private-sector members of the Council on Economic and Fiscal Policy (CEFP) under the Koizumi administration insisted that government services should be shifted to the private sector at any cost. However, the private sector cannot necessarily provide good service at a low cost."

Abe himself does not seem to be enthusiastically tackling the task. The sluggish submission of bids for the job-offer boosting project is the evidence of the bureaucracy leaving such a situation unattended.

The Administrative Reform Promotion Law was enacted in May 2006, a time when the Koizumi administration was in its final phase. It incorporates policy targets that were set in compliance with the idea of moving services from the government to the private sector. Since many of those targets are mid-term targets, it is difficult to evaluate them at the present stage. Even so, the Abe administration's effort to meet those policy targets is questionable.

A representative example of such is a revision of government-affiliated financial institutions, which are being criticized as the root cause of a massive amount of postal money being poured into wasteful public works.

The point has been made that the bureaucracy has watered-down regulations in this process of drafting individual bills out of the desire to retain their vested interests.

For instance, regarding Shoko Chukin Bank, which is set to be privatized, the law incorporated as an additional clause a measure to restrict qualifications to become its shareholders even after full privatization. This measure is regarded as a means to limit those who are qualified to become its shareholders to small and medium business organizations with the aim of countering a possible threat from foreign countries. Private-sector members of the CEFP

questioned about the measure with one member saying, "Is it really necessary to restrict shareholders after full liberalization?"

In reforming the public servant system, the Administrative Reform Promotion Law stipulates that retirement control should be made appropriate and necessary measures to promote personnel exchanges with private companies should be taken. In compliance with this, the Abe administration is aiming at submitting a set of bills reforming the public servant system featuring the establishment of a government-private sector personnel exchange center (new personnel

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bank) to the current Diet session for enactment.

State Minister for Administrative Reform Yoshimi Watanabe said, "I will cut the cords of the golden parachute (amakudari practice)." However, the opposition camp is criticizing the envisaged bank, which will render job placement services to retired bureaucrats in place of the government agencies they used to work for before retirement, as an amakudari promotion bank financed with tax money.

The Administrative Reform Promotion Law provided that independent administrative agencies should be reviewed from the perspective of cutting expenditures. The government in fiscal 2006 revised 23 agencies. As a result, 32 services were abolished or curtailed. However, no agencies have been dismantled.

The Administrative Reform Law is called a program law, because whoever becomes prime minister, the Koizumi reform policy would be inherited without fail. However, if the situation is left unattended, the possibility of the law turning into a situation in which the field has been ploughed, but the fact that the seeds to sow have been forgotten cannot be ruled out.

(3) Interim settlement of account on Abe administration (Part 7 - conclusion): Interview with Chief Cabinet Secretary Shiozaki: Pursue not "destruction-oriented" but "creation-oriented" reforms

TOKYO SHIMBUN (Page 2) (Full)  
June 22, 2007

-- The Abe administration has two roles to play -- one as successor to the Koizumi administration and another to "build a beautiful country." How is the administration going to fulfill these two roles simultaneously?

In the days of the Koizumi administration, one voter told me: "Although I am supportive of reforms, I don't know what will become of post-reform Japan." In response, Prime Minister Abe presented a future vision of Japan, saying that he had shifted the focus from "reforms designed to destroy" under former Prime Minister Koizumi to "reforms aimed to create."

-- There seem to be still many parts that must go through "destruction-oriented" reforms.

That is why Prime Minister Abe has used the expression "new embarkation" after emerging from the postwar regime. There are still things that must be broken, and they stand in the way of the Abe administration, like bedrock. The administration should destroy the bedrock first and then get off to a start. The destinations of its course are assertive diplomacy, constitutional revision, and permanent status on the United Nations Security Council. The government is asking the public for their views about it.

-- The Abe administration apparently takes the stance of setting an ideal image of the nation first and then fixing its tasks.

That is exactly right. The idea of establishing a Japanese-version national security council (NSC) is a typical case. While envisioning the role of Japan under the context of the world and its future image, the administration came up with the idea as a measure to strengthen the Prime Minister's Official Residence's (Kantei) necessary functions. It is impossible to manage this country based on an isolated concept within a government office.

-- Has the administration prepared a roadmap for revising the Constitution, the last challenge for the Abe administration?

To propose revising the Constitution, it is necessary to obtain approval from at least two-thirds of all the members of both chambers, so this is a considerably difficult task. The Liberal Democratic Party has prepared a draft new constitution, but some lawmakers have not joined the compilation process. The people have yet to be informed of the draft. Given this, Prime Minister Abe has suggested, "Let's consider a future vision of the nation first."

-- Looking at the current administration's approach to short-term policy challenges, such as administrative reform, we cannot detect such enthusiasm as shown by the Koizumi administration.

In Koizumi reforms, government-affiliated public corporations were reorganized into independent administrative corporations, winning high marks from the public. But some voice skepticism that reorganized corporations might be worse than their predecessors, as represented by (the bid-rigging case involving) Japan Green Resources Agency. The Abe cabinet, under the lead of State Minister in Charge of Administrative Reform Yoshimi Watanabe, is stepping up efforts to review such parts.

-- Some observers point out that the drive for fiscal reconstruction has also decelerated.

I am fully aware that some groups are trying to take every opportunity to have the increased portion in tax revenues to be allocated to their budgets, on the premise of increasing taxes. But the Abe administration will not easily increase taxes, although it will follow the spending-cut policy.

-- What themes have pushing up their positions than those when the administration was inaugurated?

It probably is environmental protection. Although this is a very hard challenge, we would like to come to grips with this task, prior to the G-8 summit in Japan next year. Another is decentralization. This theme is directly linked to "forming the state." Government agencies, local governments and local assemblies are expected to raise objections to decentralization, but Prime Minister Abe has said: "We must have the fire of reform continue to burn." To that end, the prime minister has poured in considerable energy.

(Corrected copy) Hard to understand opposition: Maher

RYUKYU SHIMPO (Page 2) (Full)  
June 20, 2007

YONAGUNI-US Naval Forces Japan is planning to have two minesweepers make a port call at the island of Yonagunijima. On this plan, US Consul General Okinawa Kevin Maher clarified that the two minesweepers would call at the island as planned. He also said: "The US Navy has contributed to Japan's security. It's hard to understand why they are against the planned visit." With this, Maher raised a question about the stance of Okinawa Prefecture and Yonaguni Town. The Okinawa prefectural government is calling for the US Navy to abstain from making port calls at the island, and the Yonaguni municipal government has clarified its opposition to the planned port call. Maher was replying to a question asked by the Ryukyu Shimpo in an interview.

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In the face of opposition, the two US minesweepers will visit Yonagunijima Island as planned. "Not all local residents are opposed to the visit," Maher said, adding: "The US Navy has made more than 600 port calls in Japan over the past 25 years. Some people demonstrate against the port call, but many people come out to see the ships. Most visits are overwhelmingly welcomed." With this, Maher indicated that he would promote exchanges with local residents

who are in favor of the port call.

One of the reasons cited by Yonaguni Town for its opposition to the port call is that neither of the island's two ports—one in its Sonai area and the other in its Kubura area—is an open port. In this respect, Maher noted that the Japan-US Status of Forces Agreement's Article 5 does not distinguish open ports from closed ones.

It is also feared that the planned visit of a US warship to the island will irritate China and Taiwan. Maher stressed: "US naval ships have visited here and there in Japan. Just because they visit a port in Japan provides no reason for another country to oppose it."

Moreover, with local residents in mind, Maher said: "We'd like to ask for cooperation and consideration with exchange and friendship. I hope they will come out to see the visiting ships."

(Corrected copy) Yonaguni Town Assembly rejects petition opposing US minesweepers' visit

RYUKYU SHIMPO (Page 2) (Abridged)  
June 20, 2007

YONAGUNI-The assembly of Yonaguni Town held a monthly regular meeting yesterday, with Sonkichi Sakihara presiding. The assembly voted down a petition opposed to the visits of US warships to Yonagunijima Island with two of its members for the petition and three against the petition.

The Okinawa prefectural government has asked the US Navy to abstain from making port calls at the island of Yonagunijima. In addition, Yonaguni Mayor Shukichi Hokama has also clarified his opposition. The town assembly's response had been noted.

The petition was brought by Hiromoto Komine, a member of the Yonaguni Town Assembly. Citing the record of discussions over the Japan-US Status of Forces Agreement, Komine noted that US vessels are allowed to make port calls only at open ports under the normal circumstances. "The port call planned this time is against that," Komine said. He added: "Ishigaki City and other municipalities of the Yaeyama Islands opposed the visits of US warships, so we should keep pace with them. If the US warships make a port call, that will give the impression that it is strong action taken on the strength of the Japan-US Status of Forces Agreement. It will throw the island into confusion."

DONOVAN